

until we were preparing to purchase the plate and member steel materials, the local and national steel prices have seen unprecedented increases ...” The topic was discussed between the engineer and City staff. City staff felt that it was unprecedented to modify prices due to material increases after the bid was received. On October 14, 2004, in a follow-up letter to the City, Morse proposed an increase to the material price. This Change Order #3 and Attachment #1 requested an additional \$80,743.84 for increases in steel prices during the life of the project. Director Cochran stated that on November 23, 2004, Morse provided the requested documentation and modified Change Order #3 to \$89,918.29. On December 14, 2004, the City reviewed the submitted information and discussed its validity with the engineer and City Attorney. The City then corresponded with Morse stating that the Change Order would be denied. On December 20, 2004, Morse requested a meeting with City Council to further discuss the cost increase.

Director Cochran introduced Dave Baserman, the Project Manager for Morse Construction, and Ray Maw, President of Morse Construction. Mr. Maw distributed a handout to the City Council which is attached to these minutes.

Mr. Maw reported that an increase in steel prices occurred in 2004 which was demonstrated in his handout. Mr. Maw indicated that they had done everything they could to obtain the steel at the cost of their original quote. Mr. Maw stated that the most important document he distributed was provided by Oregon Steel Mills (OSM) which depicts the cost of steel plate from 1990 to January 2004; it went from \$385 a ton in January 2004 to \$792 a ton in December 2004. The price increase was totally unpredictable and outside Morse’ control. Mr. Maw stated that he had notified the City of the price increase as soon as he realized the situation. Mr. Maw explained that it was the global economy that was directing the price of resources and not the steel mills’ fault. Mr. Maw commented that Morse Construction had several options when they notified the City of the price increase; they believed there would be some potential relief for the situation based upon the escalating prices, and minimized everyone’s exposure when they went ahead and purchased the materials. Mr. Maw stated that he was asking the Council to understand the situation and to please recognize what happened to Morse Construction and reconsider the earlier denial of their request.

Councilor Owen stated that the Council appreciated Mr. Maw’s testimony and thanked him for the timeline information he provided. The Council would take his testimony into consideration with the City Administrator.

B. ORDINANCE 4-2005

Councilor Owen moved and Councilor Jones seconded the motion to

**RESOLUTION 1-2005
Measure 37**

approve Ordinance 4-2005, AN ORDINANCE RELATING TO MEASURE 37 REAL PROPERTY COMPENSATION CLAIMS, AND DECLARING AN EMERGENCY.

Councilor Cornelius mentioned that at the previous Council meeting, there was a vote to read Ordinance 4-2005 by title only, but at that time three Councilors were opposed to one section of Ordinance 4-2005.

Councilor Owen called for the vote.

AYES: 4
NOES: 3 (Cornelius, Trees, Quinby)
ABSTAINED: 0

Councilor Owen moved and Councilor Raze seconded the motion to approve Resolution 1-2005, A RESOLUTION AMENDING RESOLUTION 38-2004, CLAIM PROCESSING FEES FOR MEASURE 37 CLAIMS.

AYES: 6
NOES: 1 (Quinby)
ABSTAINED: 0

**C. APPOINTMENT
Municipal Court**

Judge

Caren Huson, City Recorder, stated that earlier in the evening Council had interviewed two candidates for Fairview Municipal Court Judge: Jim Jennings and Sam Asbury. Council was being asked to write their name and the name of the candidate of their choice on a piece of paper; the candidate with the most votes would then be appointed as Municipal Court Judge.

Recorder Huson announced that Sam Asbury received the majority of votes (four); Jim Jennings received three votes.

Councilor Owen moved and Councilor Raze seconded the motion to appoint Sam Asbury as Municipal Court Judge for a contract term of three years.

AYES: 7
NOES: 0
ABSTAINED: 0

**V. CITY ADMINISTRATOR
REPORT**

Jan Wellman, City Administrator, reported that during the past week, staff had been very involved in preparing the 2005/2006 Fairview Budget; each department discussed their budget in detail. A balanced budget will be brought forward to the Budget Committee at their April 4, 2005 meeting.

VI. MAYOR/COMMITTEE

The Mayor and Council had no reports or concerns.

**REPORTS AND COUNCIL
CONCERNS**

VII. ADJOURNMENT

Councilor Owen moved and Councilor Quinby seconded the motion to adjourn. Mayor Weatherby adjourned the meeting at 7:45pm.

AYES: 7
NOES: 0
ABSTAINED: 0

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Mayor Mike Weatherby

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Dated:

Caren C. Huson Quiniones
City Recorder